

INTRODUCTION

A. Overview

This report is the five-year update of Rhode Island's Comprehensive Economic Development Strategy (CEDS). In it, the Statewide Planning Program (the CEDS staff) analyzes the state's economic development needs, liabilities and assets. We cite the overarching economic development goal set forth in the State Guide Plan and supported by specific objectives and policies. This is followed by an action plan to be implemented by projects solicited under the CEDS. These projects comprise Rhode Island's "Priority Project List," endorsed by the state's CEDS Committee through a three-tiered review process.

Part I of this document describes the State Planning Council and its role as the CEDS Committee, in consultation with the Technical Committee and the CEDS Subcommittee.

Background information on the state is the focus of Part II. This part contains a detailed economic profile of the state and documents the changes in the state economy over the last five years. Part II also provides an evaluation of the state's economic assets and liabilities and provides information on economic development efforts currently underway to address deficiencies.

Part III describes how the state's development goal was drawn from different sources and perceived needs. It also details the CEDS action plan.

Rhode Island's economic development objectives and policies are discussed in Part IV. These are taken directly from the economic development element of the State Guide Plan, the *Economic Development Policies and Plan*. The near-term and long-term aspects of a program based on these objectives and policies are explored in this part as well.

The state's development strategies and the process developed to select projects for the Priority Project List are described in Part V. The report explains how the Rhode Island CEDS is necessarily a multiyear program even though project selection occurs annually.

Part VI describes the CEDS implementation plan and shows how the projects selected this year can satisfy four of Rhode Island's main economic needs: fully serviced industrial sites, reuse of industrial facilities, major pollution abatement capital improvement, and expansion of resource-based industries – particularly tourism, marine shipping, and fishing.

The acceptance of this document by the Economic Development Administration will establish program eligibility under the provisions of the Public Works and Economic Development Act of 1965, as amended, for those applicants who successfully participated in the CEDS process.

This *Rhode Island Comprehensive Economic Development Strategy Update* supersedes an earlier version published in 1997 and is supplemented by a series of *Annual Reports* covering the period 1998-2001. Each *Annual Report* describes the year's activities, performance indicators and development strategies, and assesses the program's effectiveness.

B. Program Experience

Since the 1997 *Update*, the Rhode Island CEDS staff has accomplished the following:

- Revised and published a new economic development element of the State Guide Plan, the *Economic Development Policies and Plan*. It replaces the *Economic Development Strategy* published in 1986, and forms the basis of the Rhode Island CEDS;
- Revised and published the *Industrial Land Use Plan*, another element of the State Guide Plan;
- Published, in collaboration with the State Energy Office, *Rhode Island Energy Plan 2002*, also an element of the State Guide Plan (formerly the *Energy Facility Siting Plan*);
- Assessed the status and market for mill buildings, an ongoing target for redevelopment, in the technical paper *Mill Building Reuse: A Survey of Current Mill Conditions in Rhode Island and the Market for Mill Space*;
- Published four CEDS/OEDP *Annual Reports*, each with its own list of priority projects;
- Revised the CEDS Priority Project Rating System to promote smart growth, focus on redeveloping brownfields and idled industrial facilities, recruit residents of Enterprise Zones to the workforce, concentrate on areas with low per capita income, and favor communities with certified comprehensive plans;

- Increased diversity on the CEDS Committee by opening the CEDS Subcommittee to community development leaders from “the outside,” i.e., not from the State Planning Council or its Technical Committee;
- Developed performance measures for evaluating the CEDS (see the *Annual Report* for 2001);
- Conducted an input-output analysis to assess changes from 1995 to 2000 in employment numbers and wages in selected SIC codes to determine their impact on the Rhode Island economy (see the *Annual Report* for 2001);
- Participated in the Showcase State Initiative for Natural Disaster Resistance and Resilience, established by Governor Almond’s Executive Order and supported by an EDA grant;
- Begun a collaboration with the Center for Public Policy at Rhode Island College to develop new, more detailed performance measures for the CEDS based on actual employment from CEDS projects; and
- Continued to serve in an advisory or review capacity on local comprehensive plans, the Enterprise Zone Council, and the East Bay Economic Initiative.

Fifty-three project proposals have made the CEDS Priority Project List from 1998 to 2002. All were included in their respective *Annual Reports*. Many applicants who were unable to secure EDA funding re-submitted their projects year to year and were able to retain CEDS priority status.

- Upcoming Changes in the Rating System

The Priority Project Rating System continues to be a focus of CEDS Subcommittee activity. This report discusses the procedure used to evaluate this year’s project proposals, which was unchanged from last year. Next year’s scoring criteria, however, will be significantly changed:

- Environmental factors will give credit for using *practices* as well as technologies that reduce consumption of natural resources and/or waste streams – including such simple measures as providing employees incentives to use public transit to reduce overall VMTs (vehicle miles traveled);

- Credit will also be given under Environmental Factors for locating a project in a national or state historic district or on a property individually listed on the national or state historic register;
- Applicants will be rewarded for having initiated contact with EDA and being invited to submit a concept paper outlining their projects or a pre-application for a grant. In the case of re-submitted projects, establishing that this contact has been made will be a *requirement* beginning with the 2004 solicitation;
- There will no longer be points awarded for locating in a designated labor surplus area. Only one community qualifies in Rhode Island, and that community has never submitted a CEDS proposal. The criterion, therefore, is not useful in the selection process;
- A new criterion, Partnering with Other Eligible Applicants, will be introduced. Applicants will get credit for co-sponsoring a project; and
- Point awards will be reduced in certain categories under Per Capita Income, Applicant's Priority, and Approved Comprehensive Plan.

These changes were respectively approved by the State Planning Council and its Technical Committee and will become effective with the 2003 project solicitation. They were not used to evaluate this year's projects.